



302 North 1st Avenue, Suite 300 ▲ Phoenix, Arizona 85003  
Phone (602) 254-6300 ▲ FAX (602) 254-6490  
E-mail: [mag@mag.maricopa.gov](mailto:mag@mag.maricopa.gov) ▲ Web site: [www.mag.maricopa.gov](http://www.mag.maricopa.gov)

June 16, 2008

TO: Members of the MAG Water Quality Advisory Committee

FROM: Roger Klingler, City of Scottsdale, Chair

SUBJECT: MEETING NOTICE AND TRANSMITTAL OF TENTATIVE AGENDA

Monday, June 23, 2008 - 4:00 p.m.  
MAG Office, Suite 200 - Saguaro Room  
302 North 1<sup>st</sup> Avenue, Phoenix

Please park in the garage underneath the building. Bring your ticket to the meeting; parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Jason Stephens at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

Members of the MAG Water Quality Advisory Committee may attend in person, by videoconference or by telephone conference call. Those attending by videoconference must notify the MAG site three business days prior to the meeting.

Please be advised that under procedures approved by the MAG Regional Council, all MAG committees need to have a quorum to conduct the meeting. A quorum is a simple majority of the membership. If you are unable to attend the meeting, please make arrangements for a proxy from your entity to represent you.

## TENTATIVE AGENDA

### COMMITTEE ACTION REQUESTED

1. Call to Order

2. Agenda Announcements

3. Call to the Audience

An opportunity will be provided to members of the public to address the Water Quality Advisory Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Members of the public will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Water Quality Advisory Committee requests an exception to this limit. Please note that those wishing to comment on action agenda items will be given an opportunity at the time the item is heard.

4. Approval of the May 22, 2008 Meeting Minutes

5. Public Hearing - Draft MAG 208 Water Quality Management Plan Amendment for the Town of Cave Creek Water Reclamation Facility

On May 1, 2008, the Committee authorized a public hearing on the Draft MAG 208 Plan Amendment for the Town of Cave Creek Water Reclamation Facility. This hearing is being held, in accordance with State and Federal law, to discuss the Draft 208 Amendment and to accept public comments.

The Draft 208 Amendment includes the Cave Creek Water Reclamation Facility with an ultimate capacity of 2.25 million gallons per day. The facility would be located in the

2. For information.

3. For information.

4. Review and approve the May 22, 2008 meeting minutes.

5. For information and public hearing.

southwest quarter of Section 6 of Township 5 North, Range 4 East. Reclaimed water would be disposed of through reuse and Arizona Pollutant Discharge Elimination System Permit discharge points to the Galloway Wash and Cave Creek Wash. The existing Cave Creek Wastewater Treatment Plant would be decommissioned once the new facility is operational. The project is located within three miles of the Town of Carefree, City of Phoenix, City of Scottsdale, and unincorporated Maricopa County, and all have indicated that they do not object to the proposed facility.

6. Draft MAG 208 Water Quality Management Plan Amendment for the Town of Cave Creek Water Reclamation Facility

The Town of Cave Creek is requesting that the MAG 208 Water Quality Management Plan be amended to include the Cave Creek Water Reclamation Facility with an ultimate capacity of 2.25 million gallons per day. Detailed information on the Draft 208 Amendment is included under Agenda Item 5.

7. Call for Future Agenda Items

The Chairman will invite the Committee members to suggest future agenda items.

6. Recommend approval of the Draft MAG 208 Water Quality Management Plan Amendment for the Town of Cave Creek Water Reclamation Facility.

7. For information and discussion.

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
WATER QUALITY ADVISORY COMMITTEE MEETING

Thursday, May 22, 2008  
MAG Office Building  
Phoenix, Arizona

MEMBERS ATTENDING

Roger Klingler, Scottsdale, Chair  
Marilyn DeRosa, Avondale  
Lucky Roberts, Buckeye  
\* Jacqueline Strong, Chandler  
# Dave Emon, El Mirage  
Stephanie Prybyl for Lonnie Frost, Gilbert  
\* Chris Ochs, Glendale  
David Iwanski, Goodyear  
# Bill Haney, Mesa  
# Stephen Bontrager, Peoria  
Robert Hollander, Phoenix

Rich Williams Sr., Surprise  
David McNeil, Tempe  
Kevin Chadwick, Maricopa County  
John Boyer, Pinnacle West Capital  
Jim Kudlinski for Ray Hedrick, Salt River  
Project  
Erin Taylor, U of A Cooperative Extension  
Michael Byrd, Salt River Pima-Maricopa  
Indian Community  
Carole Klopatek, Fort McDowell Yavapai  
Nation

\*Those members neither present nor represented by proxy.

#Attended by telephone conference call.

OTHERS PRESENT

Kathy Haines, Goldfield Ranch resident and  
Goldfield Concerned Citizens' Association  
Randy Haines, Goldfield Ranch resident and  
Goldfield Concerned Citizens' Association  
Deborah J. Sedlmayer, Goldfield Concerned  
Citizens' Association  
Kent Mathes, Goldfield Concerned Citizens'  
Association  
Saul Lefkowitz, Goldfield Ranch resident  
Jeanne Lefkowitz, Goldfield Ranch resident  
Steve Skotnicki, Hydrosystems  
Toni Bonar, CMX  
Darrell Wilson, CMX  
Catherine A. Aragon, Salt River Pima-Maricopa  
Indian Community  
Kevin Kammerzell, CMX  
Lee Storey, Ballard Spahr Andrews and  
Ingersoll, LLP  
David Armstrong, Ballard Spahr Andrews and  
Ingersoll, LLP  
Marona Hunter, Strategies  
Lynsi Waggoner, Goldfield Preserve  
Jim Creedon, Landry, Creedon and Associates

Larry Landry, Landry, Creedon and Associates  
Sandra Carpenter, Consultant  
Wendy Riddell, Berry and Damore  
Councilmember Brenda Holland, City of  
Goodyear  
Peter Newell, HDR  
Ruben Guerrero Jr., Salt River Pima-Maricopa  
Indian Community  
John Wayne Gonzalez, City of Phoenix  
Don Kile, Goldfield Preserve  
Michelle Lehman, City of Surprise  
David Johnson, Town of Buckeye  
Tanya Luedke, CMX  
Stephen Cleveland, Goldfield Preserve  
Guy Carpenter, HDR  
Nathan Pryor, Maricopa Association of  
Governments  
Lindy Bauer, Maricopa Association of  
Governments  
Julie Hoffman, Maricopa Association of  
Governments  
Patrisia Magallon, Maricopa Association of  
Governments

1. Call to Order

A meeting of the MAG Water Quality Advisory Committee was conducted on Thursday, May 22, 2008. Roger Klingler, City of Scottsdale, Chair, called the meeting to order at approximately 8:35 a.m. Bill Haney, City of Mesa; Dave Emon, City of El Mirage; and Stephen Bontrager, City of Peoria, attended the meeting via telephone conference call.

Chair Klingler introduced Dr. Carole Klopatek, Fort McDowell Yavapai Nation, as a new member of the MAG Water Quality Advisory Committee.

2. Agenda Announcements

Chair Klingler provided an opportunity for member agencies to report on activities of interest in their agencies.

3. Call to the Audience

Chair Klingler provided an opportunity for members of the public to address the Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG or items on the agenda for discussion but not for action. No members of the public indicated that they wished to address the Committee.

4. Approval of the May 1, 2008 Meeting Minutes

The Committee reviewed the minutes from the May 1, 2008 meeting. Lucky Roberts, Town of Buckeye, moved and Michael Byrd, Salt River Pima-Maricopa Indian Community, seconded, and the motion to approve the May 1, 2008 meeting minutes carried unanimously.

5. Salt River Pima-Maricopa Indian Community Consultant Report Regarding the Draft Small Plant Review and Approval for the Preserve at Goldfield Ranch Water Reclamation Facility

Chair Klingler stated that the Draft Small Plant Review and Approval for the Preserve at Goldfield Ranch Water Reclamation Facility (WRF) has been discussed previously by the Committee. He indicated that this meeting is at the request of Mayor James M. Cavanaugh, Chair of the MAG Regional Council, to have the Water Quality Advisory Committee review new information that has been received on this item before action is taken by the Regional Council. Chair Klingler indicated that the Committee's goal is to review the new information. He stated that the focus of the meeting would be on a report generated by HDR for the Salt River Pima-Maricopa Indian Community (SRPMIC). He added that letters have also been received from Salt River Project (SRP) and the Arizona Department of Environmental Quality (ADEQ). In addition, information has been received from the public and they will also have an opportunity to report any new information today.

Guy Carpenter, HDR, provided a presentation on the Goldfield Ranch Small Plant Review Technical Support Final Report prepared for the Salt River Pima-Maricopa Indian Community. Mr. Carpenter stated that HDR was hired by the SRPMIC to provide a third party technical review of the Small Plant Review and Approval request to MAG for the Preserve at Goldfield Ranch Proposed Water Reclamation Facility. He added that the comments and concerns of SRPMIC must be considered by Maricopa County since the Community is a Municipal Planning Area (MPA) within three miles of the proposed plant. Mr. Carpenter indicated that the main concern of the SRPMIC is regional water quality, both surface water and groundwater. He mentioned that the application, as it presently exists, is intended to serve the Preserve at Goldfield Ranch and a few offsite parcels. Mr. Carpenter

added that the Goldfield Preserve is outside a Municipal Planning Area and located within a County island. He stated that the Goldfield Preserve is the last private land along SR 87 exiting the urban core and is surrounded by the Tonto National Forest and the Fort McDowell Yavapai Nation. Mr. Carpenter mentioned that the projected population of the area is 3,283 persons, which would produce a wastewater flow of 0.40 million gallons per day (mgd). The facility would be owned and operated by a County Improvement District (CID) or Domestic Water Improvement District (DWID).

Mr. Carpenter stated that the issue of water quality criteria needs to be clarified since it has been misrepresented and misunderstood in a number of communications regarding the project. He indicated that Class A+ water refers to a quality of reclaimed water that is suitable for a number of non-potable reuses in Arizona. Mr. Carpenter mentioned that from a regulatory standpoint, it cannot be claimed that meeting Class A+ standards for reclaimed water renders the water drinkable. He added that when Class A+ water is injected into an aquifer or into a vadose zone that will make its way to an aquifer, the result cannot degrade the aquifer or cause an exceedance of an Aquifer Water Quality Standard. Mr. Carpenter indicated that the Aquifer Water Quality Standards were established to protect groundwater quality for drinking water purposes. Additionally, ADEQ has established Surface Water Quality Standards for designations of water bodies. Mr. Carpenter presented the designations. He stated that there are numerical standards for a suite of chemical, physical and biological parameters associated with each designation.

Mr. Carpenter stated that the requirements for Class A+ water are that before disinfection, the 24 hour turbidity is less than or equal to two Nephelometric Turbidity Units (NTU) and the instantaneous turbidity is less than or equal to five NTU. He added that after disinfection, the fecal coliform has to be non-detected in four out of seven samples and the single sample fecal coliform has to be less than 23 coliform forming units per 100 milliliters. Mr. Carpenter indicated that the five sample geometric mean for total nitrogen has to be less than 10 milligrams per liter (mg/l). He mentioned that the applicant has proposed an activated sludge process. Mr. Carpenter commented that the applicant also proposes to meet the Class A+ Reclaimed Water Standard; however, no nitrogen removal was included in the process, which makes it impossible to comply with the 10 mg/l. He stated that the UV disinfection is identified in the flow path of the site conceptual plan after clarification but before filtration, rendering it ineffective. Mr. Carpenter mentioned that it seems that chlorine would be added at the end of the process; however, that is normally for residual. He indicated that it seems that the plant would be using the UV disinfection as the primary disinfectant.

Mr. Carpenter stated that the Verde River is two and one-half miles from the proposed plant location. He added that the Verde River designated uses in this area are the following: aquatic and wildlife, warm water; full body contact; domestic water source, which means drinking water source; fish consumption; agricultural irrigation; and agricultural watering, which refers to livestock. Mr. Carpenter mentioned that each of these designations has specific numerical water quality standards criteria for a suite of chemical constituents. He referred the Committee to Appendix B in the final report for more information on the designated uses. Mr. Carpenter stated that all aquifers in the state are classified for drinking water protected use except for aquifers which have been reclassified to a non-drinking water protected use. He added that in this case, the aquifer in the area has not been reclassified. Mr. Carpenter provided the narrative standards for aquifer protection which include: a discharge shall not cause a pollutant to be present in an aquifer classified for a drinking water protected use in a concentration which endangers human health; a discharge shall not cause or contribute to a violation of a water quality standard established for a navigable water of the state; and a discharge shall not cause a pollutant to be present in an aquifer which impairs existing or reasonably foreseeable uses of water in an aquifer. He added that the Arizona Administrative

Code R18-11-406 contains the Numeric Aquifer Water Quality Standards including the total nitrogen limit of 10 mg/l.

Mr. Carpenter stated that their review focused on the applicant's compliance with the MAG 208 Water Quality Management Plan criteria and the purpose and intent of a regional water quality management plan. He mentioned correspondence, documentation and presentations associated with the project and that they have concluded that a number of fundamental issues relative to the purpose of the 208 Plan have not received consideration. Mr. Carpenter stated that the MAG 208 Plan is Maricopa County's first defense against the degradation of water quality. He indicated that there are risks inherent to the Goldfield Water Reclamation Facility as well as a number of unaddressed criteria that render the proposed plant inconsistent with the MAG 208 Plan. Mr. Carpenter commented that for the purpose of the presentation, HDR has highlighted five key points of concern, which are plant location and local features, service area, on-site treatment, potential surface water quality impacts from injection, and owner/operator financial capability. He stated that the report was completed and delivered to MAG on May 15, 2008. Mr. Carpenter added that the applicant's response was received by the SRPMIC on May 20, 2008. He indicated that the presentation will include the key points, the applicant's response and the remaining unresolved concerns.

Mr. Carpenter stated that the first key point of concern is plant location and local features. He mentioned that the plant would be located two and one-half miles from the Verde River. He presented a fly through Google Earth video of the area. Mr. Carpenter stated that the video shows the surrounding topography and risks associated with surface water. He mentioned that service failure could result in unimpeded wastewater traveling the two and one-half miles and 210 feet down gradient reaching the Verde River in six to 18 hours. Mr. Carpenter commented that this is a sensitive reach of the Verde River. He stated that the applicant's response to the concern is a commitment to include redundant power supply and retention for lift stations and the water reclamation facility. Mr. Carpenter stated that the applicant has also committed to include emergency holding capacity at the WRF equivalent to two times the operating capacity. He indicated that those are great steps forward to easing the concerns of the Salt River Pima-Maricopa Indian Community.

Mr. Carpenter stated that the remaining concerns include that the commitments must be incorporated into the Small Plant Review and Approval application and reevaluated by the MAG Water Quality Advisory Committee. Mr. Carpenter mentioned that it would be a complex wastewater collection, treatment, and reclaimed water management system that will be owned and operated by a relatively small County Improvement District or DWID. He stated that MAG has never approved a similar facility to be operated by a CID in a County island in an area this close to a perennial stream with the associated designated uses, including drinking water for millions of people. Mr. Carpenter added that this circumstance represents the risk to water quality that the MAG 208 Water Quality Management Plan was established to prevent and mitigate.

Mr. Carpenter discussed the second key point of concern, which is service area. He stated that the existing document states that a limited area will be served within a larger, completely enveloped County island. He added that Grayhawk, which is a known development, was not included. Mr. Carpenter mentioned that Parcels C and D are on septic systems. He indicated that offsite Parcels 1-5 were included in the sewer calculations (newly purchased land between Parcels A and B). Mr. Carpenter commented that the rest of the area, presumably, will be on a septic systems or another water reclamation facility. He stated that not providing sewer service to the entire area encourages the proliferation of small plants and septic systems which increases risk to regional water quality and is contrary to the MAG 208 process and intent.

Mr. Carpenter mentioned that the applicant's response is a commitment to include Parcels C and D in the wastewater service area. He stated that they applaud this commitment. He indicated that the applicant also committed to allow additional property owners to connect into the system at that owners cost. Mr. Carpenter mentioned that the commitments need to be incorporated into the Small Plant Review and Approval application and reevaluated by the MAG Water Quality Advisory Committee. He stated that they would request a commitment from the County that land uses in Parcels C and D will not be allowed to be changed from rural residential. Mr. Carpenter added that much is still unknown about the strength and flow associated with commercial land use and there is uncertainty associated with the recently purchased parcels. Mr. Carpenter mentioned that the purpose of regional planning is to plan for and be inclusive of the additional growth within an area. He noted that the applicant is still only planning for the Preserve and nothing else, except for the few off-site parcels between Parcels A and B.

Mr. Carpenter discussed the third key point of concern which is on-site treatment. He stated that according to the existing document and prior to the response by the applicant, Parcels C and D would be served by septic systems. He added that they believe there will be a consumer demand to make Parcels C and D commercial. Mr. Carpenter commented on the historical records of freeways and land uses on the fringe of the urban core. He mentioned that septic systems do not provide sound regional water quality protection, but the inclusion of commercial wastewater may challenge the treatment capability of the proposed plant. Mr. Carpenter stated that they recognize that having septic systems is not a good thing, but including wastewater from potential commercial areas could also impact the operation of the plant. Mr. Carpenter mentioned that the applicant has made a commitment that Parcels C and D will not be on septic tanks. He indicated that the commitments must be incorporated into the Small Plant Review and Approval application and reevaluated by the MAG Water Quality Advisory Committee. Mr. Carpenter stated that they would request a commitment from the County that the land uses in Parcels C and D will not be allowed to be changed from rural residential. He added that this is a concern since, as pointed out by the applicant in their response, amendments to the Development Master Plan (DMP) to change land uses to commercial are possible and special uses permits can be used to effectively change land uses outside of the MAG 208 process.

Mr. Carpenter discussed the fourth key point of concern, which is potential surface water quality impact from injection. He stated that there is inconclusive evidence of a continuous clay layer; therefore, it cannot be said that there will be no interaction of injected reclaimed water with the subflow of the Verde River. Mr. Carpenter commented that there may be a possibility that the Class A+ reclaimed water will not meet all of the standards for protecting the aquifer and the Verde River. He stated that in this case, ADEQ will probably incorporate the Surface Water Quality Standards, which would normally be associated with an Arizona Pollutant Discharge Elimination System (AZPDES) Permit into the Aquifer Protection Program (APP). Mr. Carpenter inquired if the determination needs to be made whether the Goldfield Water Reclamation Facility meets all of the requirements of the MAG 208 small plant designation. He noted that the small plant designation is for plants two mgd or less and not needing a National Pollutant Discharge Elimination System (NPDES) or AZPDES Permit for discharge.

Mr. Carpenter commented that the applicant's response is a commitment to meet Surface Water Quality Standards for the respective reach of the Verde River. He noted that they applaud this commitment. He indicated that they would like the applicant's commitments included in the application and reviewed by the MAG Water Quality Advisory Committee. Mr. Carpenter stated that the WRF treatment process needs to be adequately described to demonstrate that all applicable water quality standards will be met. He stated that for Class A+ reclaimed water, denitrification is



not mentioned and the placement of UV disinfection needs to be corrected. Mr. Carpenter mentioned that for groundwater quality, denitrification needs to be included. He commented that for surface water quality, the question of how the standards will be met remains unanswered.

Mr. Carpenter discussed the fifth key point of concern, which is owner/operator financial capability. He stated that there will be a financial burden on the CID or DWID. He added that the annual cost would most likely be in the range of \$450 to \$485 per lot which is approximately two to four times more than what is paid in a Municipal Planning Area. Mr. Carpenter mentioned that these numbers do not include the amortization of capital or the provision of a repair and replacement fund. He commented on the operation and maintenance (O&M) costs of the facility. Mr. Carpenter indicated that initially, there will be very few rate payers and build out will take several years. He stated that the applicant has indicated that the developer will supplement the financials; however, the applicant did not state for how long. Mr. Carpenter added that financial responsibility must be adequately addressed as there is potential for significant financial burden on the CID.

Mr. Carpenter mentioned that the applicant's response is a commitment to provide financial assurances. He commented that the applicant has indicated that the Maricopa County Board of Supervisors will be ultimately responsible as the Board of Directors for the CID. He stated that the applicant has also made a commitment to recruit and hire a qualified operator. Mr. Carpenter added that they request that the commitments be included in the Small Plant Review and Approval application and be reevaluated by the MAG Water Quality Advisory Committee. He mentioned that the applicant has proposed a transfer of financial and water quality risk to all of Maricopa County which is both precedent setting and inequitable. Mr. Carpenter indicated that AAC R18-5-104 and R18-5-114 only require a Grade 2 on-site operator, based upon treatment process. However, given the complexity of the overall system and the unique features of the facility, a Grade 3 on-site operator is preferred.

Mr. Carpenter summarized the key points of concern. He stated that the plant would be located in a unique location and it is a complex wastewater collection, treatment, and reclaimed water management system. He added that there seems to be inequitable accountability for possible failure of the plant. Mr. Carpenter indicated that the plant would not be serving in a regional role. He mentioned that the plant would be servicing one development and a few lots in between the parcels owned by the developer. Mr. Carpenter commented that the plant would not be servicing the rest of the Goldfield area. He stated that all of the areas outside of the Preserve will be on septic systems or another plant would have to be built. Mr. Carpenter added that there are potential surface water quality impacts from injection. He indicated that the focus has been on Class A+ water, but currently the applicant is not meeting that criteria. Mr. Carpenter commented that this plant is a relatively high cost of service and there is a transfer of risk to all of Maricopa County.

Mr. Carpenter stated that in conclusion, the MAG 208 process exists to mitigate risks to water quality and serve as the first line of defense. He added that in this case, responsibility is left to a CID whose representation largely does not exist at this point. Mr. Carpenter indicated that the applicant's recent commitments and responses to remaining unresolved issues should be included in a revised application for consideration by MAG. He mentioned that with all of the concerns discussed, the application is not consistent with the MAG 208 Water Quality Management Plan.

John Boyer, Pinnacle West Capital, stated that there were two arguments in the presentation that seem to be in conflict. He indicated that it was presented that the whole area is not included in the

service area yet it was also presented that the plant will cause problems. Mr. Boyer inquired about how the two issues would be reconciled. Mr. Carpenter responded that in general, it is best if as much sewage can be treated at a regional plant as possible. However, there is still concern of the uniqueness of the facility being owned and operated by a CID that is independent from an MPA. Mr. Carpenter mentioned that not all risk can be mitigated; however, the level of risk associated with this plant causes concern. Mr. Boyer inquired if there would still be opposition if the developer includes the other areas into the service area for the facility and fixes the issues. He mentioned that the applicant has proposed to meet Surface Water Quality Standards. Dr. Carole Klopatek, Fort McDowell Yavapai Nation, replied that at this point, it is very difficult to answer that question since there is no documentation to evaluate.

Mr. Boyer inquired if it would be acceptable to the concerned parties if the plant is designed to meet the requirements. Dr. Klopatek responded that they would like to see that done and be able to evaluate it. Mr. Boyer inquired if they were willing to consider the application. Dr. Klopatek replied yes. Mr. Byrd responded that the Salt River Pima-Maricopa Indian Community has worked in the past with other cities and are willing to work with any outside entity. He added that if the Preserve at Goldfield Ranch is willing to address all of the concerns and put it in a revised 208 application document, SRPMIC could be supportive.

Bob Hollander, City of Phoenix, commented that he supports regional planning. He stated that this plant is somewhat different than other plants since many that have been proposed, even if proposed by a developer, would get incorporated into a municipality which would have the authority and could expand that facility in the future. Mr. Hollander inquired about how much responsibility a developer has for a regional plan that incorporates lands they do not own. Mr. Carpenter referred to the criteria in the MAG 208 Plan stating that the region should strive toward regional planning and eliminate the proliferation of other small plants as possible. He added that also in regard to growing smarter legislation and the desire to have more of a regional plan, there is a lot of policy to guide the way. Mr. Carpenter stated that he does not know if there is anything definitive that states that the developer has to be inclusive of an entire area and set up the funding. Dr. Klopatek stated that the developer does own Parcel E which is not included in the small plant. She added that if the developer is going to develop Parcel E, there will probably have to be another small plant. She noted that the developer has not even included its own parcels in the application. Mr. Hollander stated that there are also parcels in the area that are owned by others. Dr. Klopatek mentioned that the developer has not taken into consideration everything they own to include in the plant.

Dr. Klopatek inquired about the O&M costs for the proposed plants and the associated collection and reclaimed water system compared to those associated with other MPAs in terms of the developer being able to fund the plant. She asked Mr. Carpenter if he could talk about problems with injection wells and other associated costs. Mr. Carpenter responded that there are lift stations involved. He stated that if there is failure in the lift station, you usually want to have a vector truck, pipes and pumps. Mr. Carpenter mentioned that it is still unknown who the operator will be for the plant. He added that those types of costs would probably not be included in the numbers that were presented. Dr. Klopatek inquired if the numbers would be higher. Mr. Carpenter responded that is correct. He added that for the treatment plant they think it makes the most sense to have an on-site Grade 3 operator at the treatment plant the whole time. Mr. Carpenter mentioned that injection wells typically have to be rehabbed about once every three to five years. He indicated that cost was included in the numbers shown in the presentation. Mr. Carpenter commented that they included \$100,000 per year, once every three years, since there would be three injection wells. He stated that

the applicant would use injection wells for disposal when they are not making beneficial reuse of the water. Mr. Carpenter added that when an injection well fails, the applicant would have to replace it and that can cost \$1 million to \$1.5 million.

Dr. Klopatek inquired if Mr. Carpenter was familiar with the problems that Fountain Hills has had with their injection wells. Mr. Carpenter responded that Fountain Hills has had to rehab their wells. He added that Fountain Hills and other cities also have been experiencing issues with trihalomethane (THM) compliance. Mr. Carpenter indicated that there is organic in the finished water quality from a reclamation plant. He commented that when chlorine is added for a residual into the pipes for esthetic purposes, the chlorine and organic reaction creates a carcinogen called trihalomethane. Mr. Carpenter mentioned that when the THM is too high, the Aquifer Water Quality Standard will be exceeded. He added that Fountain Hills and several other cities have been struggling with this issue and trying to find ways to minimize the THM production. Dr. Klopatek stated that there are engineers currently trying to address the issue in Fountain Hills. She added that their problems have occurred about every six months. Dr. Klopatek mentioned that Fountain Hills has had the expense of approximately \$100,000 every six months. She indicated that it is more of an occurrence in the East Valley than other Valley cities.

Dr. Klopatek asked Mr. Carpenter to explain some of the risk associated with the plant versus other areas in Maricopa County. Mr. Carpenter replied that the risks are hard to quantify. He stated that all of the risks cannot be mitigated otherwise there would not be a 91<sup>st</sup> Avenue treatment plant next to the Salt River and Gila River. Mr. Carpenter indicated that the number of people paying into the plant is relatively small and those people do not yet exist in the area. He mentioned that the developer is carrying this for a while and will not be included in a Municipal Planning Area. Mr. Carpenter commented that it is unknown whether there will be an agreement with Fountain Hills for use of heavy equipment for response time. He stated that the plant would be two and one-half miles from the Verde River. Mr. Carpenter added that if failure of the plant was to occur, it would affect the entire community that takes advantage of the Verde River for drinking water. He noted that it is interesting that Maricopa County is willing to take on the financial and water quality risks associated with this plant.

Dr. Klopatek inquired about redundancy issues. Mr. Carpenter responded that there is no backup. He mentioned that the applicant has stated that the facility will have two times the capacity to hold water on-site which will provide an extra day of sewage flow. He noted that is one day to respond and figure out what will be done with the reclaimed water. Mr. Carpenter indicated that it would be a violation, but the best case would be to release treated reclaimed water to one of the washes which would flow to the Verde River. He commented that this would result in a violation of the requirements; however, it would be the least impactful in terms of water quality in a situation where everything went wrong. Dr. Klopatek inquired if meeting Class A+ Reclaimed Water Standards is sufficient for the intended disposal alternative. Mr. Carpenter responded that he could not answer the question. He indicated that if it is determined that there is a connection between the injection of the reclaimed water to the Verde River there would have to be water quality modeling in order to determine what the fate of that water would be. He added that the finished water quality would then need to be determined. Mr. Carpenter indicated that at this point, Class A+ reclaimed water would probably not be sufficient for the intended disposal alternative.

Dr. Klopatek inquired if Mr. Carpenter was familiar with CIDs and DWIDs in terms of the financial capability or proof that is associated with them. Mr. Carpenter responded no. Dr. Klopatek asked if Mr. Carpenter knew that the applicant applied for their DWID and did not provide any financial

capability. Mr. Carpenter replied no. Dr. Klopatek stated that it was mentioned who would be taking over from the point of construction to buildout. She inquired if Mr. Carpenter knows the length of time. Dr. Klopatek stated that according to the DMP, there is about a 25 year period in which the project would come to fruition. She asked at what point would there be sufficient individuals to sustain this plant. Dr. Klopatek mentioned that as presented, the costs would be fairly high just on the basics and even higher when adding everything else to the cost. She discussed the burden of financial capability being on the developer. Mr. Carpenter stated that he was surprised to see that the Maricopa County Board of Supervisors will be serving as the Board of Directors for the CID. He added that the plant would be on the back of every Maricopa County taxpayer and not just the CID. Mr. Carpenter indicated that if the Board of Directors is responsible, all of the people that live in Maricopa County will have to respond to what happens, not just the CID.

Mr. Hollander inquired if the plant would be phased. He commented on secondary basins and clarifiers. Mr. Hollander indicated that the developer may not build everything right away but rather phase the facility. Mr. Carpenter responded that the facility is phased in the application.

David McNeil, City of Tempe, stated that Mr. Carpenter expressed uncertainty with regard to whether or not the proposed water quality would be sufficient for its intended uses. He inquired if his opinion would change if the document included a commitment to meet all Surface Water Quality Standards for the reach of the Verde River at the point of discharge. Mr. Carpenter responded that the Salt River Pima-Maricopa Indian Community would be interested in a statement to that effect and a description of how that would be done. He discussed modeling to determine what would be required to meet those standards. Mr. Carpenter stated that there would have to be monitoring wells involved. He added that the SRPMIC would be happy if the applicant would demonstrate how they would accomplish the commitment to meet Surface Water Quality Standards.

Chair Klingler recognized public comment from Kathy Haines, Goldfield Ranch resident. Ms. Haines commented that as an isolated unincorporated County island, Goldfield Ranch does not have any local government to speak for it or even to put its interest first and foremost. She added that the sponsor for this small plant system is the County itself since there is no local government that could be a member of MAG. Ms. Haines mentioned that the County really does not and cannot be considered Goldfield Ranch's local government since its interests are County-wide. She indicated that Goldfield Ranch has taken care of themselves by creating their own fire district and by getting the County to adopt a land use plan for future responsible development in the area. Ms. Haines stated that when they are up against the economic power of a developer like The Ellman Companies, they are powerless. She added that they could not afford to hire a hydrologist or civil engineer to analyze the adequacy of the design of the proposed sewage treatment plant. Ms. Haines mentioned that thankfully, their neighbors came to their aid as they have in the past. She commented that both the Fort McDowell Yavapai Nation and Salt River Pima-Maricopa Indian Community have analyzed and addressed their local and regional interests as their local government would have done if Goldfield Ranch had one. Ms. Haines indicated that this was not the first time. She stated that the Nation has always responded to fire emergencies in Goldfield Ranch, educated them about the need to form a fire district, and provided advice and support when no one else would talk to them. She mentioned that the Nation contracted with the Goldfield Ranch fire district to provide fire protection and emergency ambulance services. Ms. Haines commented the SRPMIC provides garbage services to Goldfield Ranch. She stated that as the application is being considered, the Committee ought to regard the Nation and SRPMIC as the closest thing Goldfield Ranch has to a local government. Ms. Haines added that as fellow members of MAG, the views and concerns of the Indian Communities

are entitled to the greatest deference. She mentioned that the Nation and SRPMIC know and speak to the local and regional concerns of those whose homes are in Goldfield Ranch. Ms. Haines commented that if a sewage plant was being planned to inject sewage into the aquifer just a few feet from your boundaries, you would want and expect your fellow MAG members to give that deference even if the plant was not technically within your boundaries. She indicated that the Committee should regard the Fort McDowell Yavapai Nation and the Salt River Pima-Maricopa Indian Community as the local government for Goldfield Ranch.

Chair Klingler recognized public comment from Randy Haines, Goldfield Ranch resident. Mr. Haines stated that by now, the Committee has heard a lot of conflicting evidence, much from experts in various fields on central issues on whether this sewage plant complies with the MAG 208 Plan. He added that experts have spoken from both sides on whether there is a confining clay layer that will protect the Verde River. Mr. Haines inquired what would happen if there are power failures. He asked if the operator will be competent. Mr. Haines mentioned that many of the Committee members like himself, are not experts in these various fields. He inquired if the Committee is expected as nonexperts to decide which expert is right. Mr. Haines stated that the answer to that question is no. Mr. Haines mentioned that the Committee is like a judge or a jury and have a third option. He added that the Committee can vote "I am not convinced" and when the Committee comes to that conclusion, the Water Quality Management Plan makes the decision for you. Mr. Haines mentioned that the 208 Plan states that if you are not entirely convinced that this plant complies with the 208 Plan then it cannot be approved. He indicated that it is the applicant's burden to convince the Committee. If the applicant has not convinced the Committee, then the Committee cannot approve the application. Mr. Haines stated that the Committee's job is easier since ADEQ has provided more specific guidance on what decision is expected. He added that ADEQ has reminded the Committee that if the concerns are raised by a MAG member whose planning area is within three miles of the project, then that MAG member's concerns must be resolved before the application can be approved.

Mr. Haines mentioned that the Committee has to decide two simple questions: 1) Have the concerns of the Indian Communities been resolved; 2) Are their unresolved concerns legitimate water quality concerns. Mr. Haines commented that ADEQ's guidance has made the Committee's decision much easier today. He inquired if any of the Committee members can conclude that the concerns of the Nation and SRPMIC have been fully satisfied or that they are not legitimate water quality concerns. Mr. Haines stated that he will have to live with the consequences of the Committee's decision unlike the developer who will sell out the project when the rezoning is granted. He mentioned that their shared concerns for the groundwater quality have not been resolved and are legitimate. He added that unless the Committee is prepared to tell its fellow MAG members their concerns are illegitimate or unfounded, the 208 Plan requires the Committee to deny approval as reminded by ADEQ.

Chair Klingler recognized public comment from Deborah Sedlmayer, Goldfield Ranch resident. Ms. Sedlmayer commented on the Committee meeting held on March 20, 2008. She stated that the Committee asked if the Ellman representatives could spend the next month negotiating with the neighboring nations to begin to reach an accommodation. Ms. Sedlmayer added that Ms. Riddell answered no. She indicated that this kind of uncompromising answer is the tone the applicant has set throughout these and other hearings. Ms. Sedlmayer mentioned that the applicant has refused to include the neighbors in meaningful dialog. She stated that the applicant has shown the same smoke and mirrors slide show to the Committee and to the residents instead of providing factual answers to important questions. Ms. Sedlmayer added that the applicant has acted as if they are

entitled to a development regardless of concerns raised by the Committee and by the neighbors including the nations. She indicated that it is time for facts. Ms. Sedlmayer inquired if the applicant will relocate their proposed treatment plant to an expandable location which will provide safeguards for water and air quality. She asked if the applicant will start being responsible by being responsive, inclusive and transparent. Ms. Sedlmayer stated that Ms. Riddell's "no" is not only inappropriate, it is unacceptable. She added that imagined entitlements are not acceptable beginnings for meaningful negotiations. Ms. Sedlmayer indicated that nonreplies are not acceptable substitutes for factual answers. She mentioned that the applicant's disingenuous protests are tiresome, time-consuming, and unproductive. Ms. Sedlmayer commented that truth and facts are the only criteria for moving this process forward. She stated that decision cannot be made without concrete information. Ms. Sedlmayer added that it is time for real discussion to begin by resolving the concerns of her neighbors, the nations.

Chair Klingler recognized that a public comment card was received from Kent Mathes, Goldfield Ranch resident. Mr. Mathes did not wish to speak but indicated opposition on the comment card.

Chair Klingler recognized public comment from Saul and Jeanne Lefkowitz, Goldfield Ranch residents. Ms. Lefkowitz stated that her two cents is that the Indian Communities and the residents of Goldfield Ranch have spoken enough words. She added that the Committee could come to the conclusion from where she is coming. Ms. Lefkowitz indicated that she is a member of the Goldfield Ranch Homeowners Association. She noted that she organized the Association when she moved to Goldfield Ranch in 1987. Ms. Lefkowitz commented that she is hopeful to live out her days in Goldfield Ranch; however, she does not want to be contaminated with unhealthful water and other things.

Wendy Riddell, Berry and Damore, stated that the Goldfield Preserve is present at the meeting under protest and that this is the fourth time before the Committee at the sole and unprecedented actions of the Chairman in light of the appointment of two new tribal members. She added that they are simply present under protest. She indicated that it is politics that play today and not water quality. Chairman Klingler inquired about Ms. Riddell's statement about the Chairman. Ms. Riddell clarified that she was referring to Mayor Cavanaugh, Chair of the MAG Regional Council. Ms. Riddell mentioned that after hearing the SRPMIC presentation, she is pleased to say that the Goldfield Preserve has good responses to the issues that were raised. She indicated that they are close to coming to a compromise on the issue.

Ms. Riddell presented the proximity map for the Goldfield Preserve. She stated that it is infeasible, both financially and environmentally, for any other facility in the area to treat the property. She mentioned that 5,000 acres of unincorporated Maricopa County sits between the Tonto National Forest on three sides and the Fort McDowell Yavapai Nation on the fourth side. Ms. Riddell indicated that all facilities that could in any way reasonably treat this property are on the other side of the environmentally sensitive Verde River. She discussed previous comments made on the uniqueness of this proposal for various reasons. Ms. Riddell stated that when looking at the map, the Committee can see that this proposal is not unique. She added that the City of Mesa and the SRPMIC treat in a similar manner with 18 mgd. She noted that they both recharge and discharge directly into the Salt River and do it essentially 45 times more than what Goldfield Preserve is proposing. Ms. Riddell stated that what Goldfield is proposing is not unique. She reminded the Committee about the WRF approval process. Ms. Riddell stated that MAG is one part in the process. She added that once the MAG Regional Council takes action on the application, there are



still many more steps. Ms. Riddell mentioned that the applicant is required to obtain an Aquifer Protection Permit that is regulated by ADEQ and an Underground Storage Facility Permit that is regulated by the Arizona Department of Water Resources (ADWR). She noted that MAG plays an important role in the planning aspects of the application; however, the detail, engineering and specifications are properly regulated by ADEQ. She added that they will have to go through the ADEQ process.

Ms. Riddell stated that there were five interrelated issues raised in the report prepared for the SRPMIC that was received on Monday. She mentioned that the first issue raised was on potential water quality impacts from injection. The SRPMIC report suggests that a hydrological connection may exist between two aquifers in the region and, if such a connection exists, the production of Class A+ effluent water would not be sufficient to satisfy the SRPMIC concerns related to artificial recharge. Ms. Riddell mentioned that although not required, the Goldfield Preserve commits to meet water quality standards for discharge to this segment of the Verde River. She noted that their letter with this commitment could be incorporated into the application. She added that they hope this commitment to meeting the standards alleviates any concerns. Ms. Riddell referred to earlier comments about denitrification. She indicated that the Goldfield Preserve will be using denitrification as part of the plant. She stated that another issue was the potential for unimpeded wastewater overflows from the proposed plant reaching the Verde River. Ms. Riddell added that this issue has to do with plant failure. She mentioned that emergency and redundancy plans are regulated as part of the APP process by ADEQ. Ms. Riddell indicated that nevertheless, the Goldfield Preserve has committed to have redundant power and retention for the treatment facility and sewage lifts stations throughout the community. She added that the total plant holding capacity will be adequate to handle emergency loads equal to two times the average daily flow. Ms. Riddell stated that the Maricopa County Subdivision Ordinance requires a review of all lift station designs and requires a redundant power supply to convey flows.

Ms. Riddell discussed the contingency plan required under the APP. She stated that additional commitments by Goldfield Preserve include incorporating Stormwater Management and Best Management Practices such as erosion control, dust control, sediment control and good housekeeping/materials management. Ms. Riddell mentioned that there will be a monitoring and sampling plan to ensure that the standards are met. She indicated that there are significant reporting requirements and any catastrophic failure will be contained onsite. Ms. Riddell referred to concerns about the potential for recharge wells failing. She stated that the Goldfield Preserve will have redundant recharge wells and a standby generator which is required by Maricopa County.

Ms. Riddell stated that the third issue raised relates to service area. The SRPMIC report suggests that the 208 Amendment service area may be eligible for expansion to serve the regional wastewater treatment needs of additional development within the entire area. Ms. Riddell stated that the Goldfield Preserve has committed to include Parcels C and D. She indicated that the Goldfield Preserve has also committed that there is sufficient property available to meet the expansion needs of all of Goldfield Ranch. Ms. Riddell presented a map showing responsive modifications. She mentioned that when the application was originally filed, Parcel A was all that was included within the service area. Ms. Riddell indicated that Parcel B was included at the request of the Fort McDowell Yavapai Nation. She showed the offsite parcels which were acquired since the time of first filing the application. Ms. Riddell stated that at that time, it made sense to connect and expand the Goldfield Preserve's WRF service area to include all of Parcels A and B. She added that after the Salt River Pima-Maricopa Indian Community report, the Goldfield Preserve has committed to

include Parcels C and D into the service area. Ms. Riddell mentioned that the Goldfield Preserve has the ability and capacity to include those areas. She indicated that they have also looked at Goldfield Ranch. Ms. Riddell commented that there is sufficient real estate, for the plant to be expanded if it is reasonable to do so to accommodate the regional infrastructure of Goldfield Ranch. Ms. Riddell presented a responsive modifications table to demonstrate that when Parcels A, B, C and D were included, the facility is still below 0.4 mgd.

Ms. Riddell stated that another issue raised was about commercial development. She added that the report suggests that there is a high likelihood of the development of commercial property along Hwy 87 within Parcels C and D and there is concern that such commercial property would be served by septic systems. Ms. Riddell indicated that as referenced in the response to the previous issue, the Goldfield Preserve has committed to include Parcels C and D within the service area. She mentioned that there is no commercial property within Goldfield Ranch. Ms. Riddell commented that between Parcels C and D there is a Development Master Plan which was approved in 1995. She stated that the Goldfield Preserve does not own or control that property at this time or at the time the amendment was filed. Ms. Riddell added that property retained its specific area plan designation of commercial. She noted that Maricopa County does not allow for the development of any commercial property on septic systems. Ms. Riddell commented that if the property was to become commercial, which is highly unlikely, it would have to be incorporated into the Goldfield Preserve facility at that time. She mentioned that there is no possibility for commercial development to be developed on septic. Ms. Riddell stated that if this facility is not approved, the Goldfield Preserve will have no choice but to develop the entire property on septic systems. She added that this approach would be worse and be a greater hazard to the aquifer and the river system. Ms. Riddell indicated that the Goldfield Preserve is proposing 1,000 units on approximately 2,000 acres. She commented that the Goldfield Preserve is not proposing a facility in order to add density. She stated that the Preserve has already cut the density in half. Ms. Riddell mentioned that this site can be developed on septic systems. She stated that the Goldfield Preserve chooses to develop the site with a water reclamation facility as the environmentally responsible approach.

Ms. Riddell stated that the last issue discussed in the report was the CID. She noted that there is no DWID. Ms. Riddell stated that Maricopa County has already approved a CID. She indicated that the SRPMIC report suggests that the ongoing operation and maintenance of the plant and related infrastructure will be relatively expensive for a CID. The SRPMIC report further acknowledges that while the developer is responsible to supplement the financial security of the CID, the length of time for such an obligation has not been provided. Ms. Riddell mentioned that it is important to recognize that the CID is Maricopa County and that the Board of Supervisors sits as the Board of Directors for the CID. She stated that it is Maricopa County who ultimately has oversight of the facility. Ms. Riddell added that Maricopa County has indicated that at the time of dedication, the Goldfield Preserve will have to show adequate financial assurances are in place. She mentioned that the Goldfield Preserve acknowledges that there is phasing of the plant and phasing of the project. Ms. Riddell indicated that when the ramp up phase occurs, the developer would have to bear some of the costs. She stated that the understanding is that the developer has to bear the cost of the development. Ms. Riddell added that the developer committed to working out the specifics of this with the CID, the Maricopa County Board of Supervisors. She mentioned that there was also concern about an operator. Ms. Riddell indicated that an operator will be hired who has proven experience associated with their treatment and injection recharge systems and will live within three hours of the plant site, per the Maricopa County Health Code.



Ms. Riddell presented the 208 small plant criteria for facilities outside a Municipal Planning Area. She stated that the first criteria is to have the review and comment of any municipality whose Small Plant Planning Area is within three miles of the proposed plant location or service area. Ms. Riddell mentioned that this requirement does not state approval or that there has to be agreement. She indicated that after four meetings of the Water Quality Advisory Committee and one Management Committee meeting, it is clear that the Goldfield Preserve has received their review and comment. She commented that the Goldfield Preserve's application has been modified to reflect those comments. Ms. Riddell stated that the commitments being made at this meeting on record, that were made in a letter to the SRPMIC, resolves and addresses those comments. She added that the second criteria is that the facility will not adversely affect the operation or financial structure of existing or proposed wastewater treatment plants. Ms. Riddell mentioned that there are no other treatment facilities within a logical proximity to the plant. She indicated that it does not affect the operation or financial structure of any existing facility. Ms. Riddell stated that there are no other rate payers that the Goldfield Preserve would be taking. She added that there is no choice but to create their own water reclamation facility or develop the property on septic.

Ms. Riddell stated that the third criteria is that the plant be consistent with State and County regulations and other requirements. She added that the Goldfield Preserve has demonstrated that they are prepared to exceed State and County regulations. Ms. Riddell mentioned that the Goldfield Preserve is committed to exceed the standards that are set forth in the Arizona Administration Code established and regulated by ADEQ. She commented that the fourth criteria is that the facility be otherwise consistent with the MAG 208 Plan. Ms. Riddell stated that because of their commitments to exceed the requirements, to meet each requirement of ADEQ, the Goldfield Preserve is consistent with the MAG 208 Plan. She indicated that the fifth criteria is that the facility be evaluated and approved, or modified by Maricopa County Environmental Services Department. Ms. Riddell commented that Maricopa County has sponsored the application. She noted that the CID is the Board of Supervisors overseeing the application and sponsoring it. Ms. Riddell respectfully requested the support of the Committee.

Mr. McNeil inquired if the Goldfield Preserve has the intent to modify the plan to incorporate the commitments that were outlined in Mr. Carpenter's presentation and provided by Ms. Riddell on the record. Ms. Riddell responded that the Goldfield Preserve would incorporate the commitments as an appendix to the application. She added that if it is appropriate for the Goldfield Preserve to modify the application to reflect those commitments, Goldfield Preserve is prepared to do so. Ms. Riddell mentioned that they did not want to have additional time added because of the need for modification; however, they are commitments in any way Goldfield Preserve needs to make them.

Dr. Klopatek stated that the February 2008 document does not include Parcel B. Ms. Riddell responded that it is shown as an exhibit. Dr. Klopatek stated that is not a contract. She added that the contract is the document, which is what is approved by the Regional Council, not the paperwork or the presentation. Dr. Klopatek discussed contracts and the example of buying a car. Dr. Klopatek added that she wants to see the commitments in the contract. Ms. Riddell stated that if it is appropriate and there is time for modifications to reflect the commitments, Goldfield Preserve is prepared to make the changes.

Chair Klingler inquired if Parcel B was a previous change that was discussed at the last meeting. Ms. Riddell replied yes. Chair Klingler referenced the Executive Summary of the March 2008 document which states that the plant will serve 1,902 acres including Parcels A and B. Ms. Riddell

responded that is correct and noted that Parcel B is also shown in Table 1 of the document. Dr. Klopatek indicated that she was looking at the document dated February 2008. She stated that Ms. Riddell made comments regarding the development on septic and not having commercial. She mentioned that at the County Board of Supervisors meetings, there was talk about having a hotel. Dr. Klopatek indicated that Ms. Riddell is now stating that there would be no way of having that system. Ms. Riddell replied that the entire property, and there is currently a rezoning application of plats on file, is planned for residential. She added that the Goldfield Preserve has incorporated as part of their Development Master Plan that they could at some point file special use permits for three very limited uses. Ms. Riddell indicated that the uses are an equestrian facility, a clubhouse to serve residents, and a potential resort spa in the upper northwest quadrant. She stated that the Goldfield Preserve has not filed the application. Ms. Riddell mentioned that if Goldfield was to file the application, that would necessitate a water reclamation facility. She added that there is no other commercial development planned. Ms. Riddell commented that Maricopa County prohibits any commercial development on septic systems. She added that the Goldfield Preserve has a plat on file with Maricopa County that is all residential.

Dr. Klopatek inquired if the Goldfield Preserve would put as a special use permit a hotel with ancillary amenities like restaurants and snack bars on septic. Ms. Riddell replied no. She stated that you cannot have any commercial development special use permit for a resort/spa without a wastewater reclamation facility. Ms. Riddell added that the Goldfield Preserve DMP states that there may potentially be a resort/spa. She indicated that the Goldfield Preserve currently has on file with Maricopa County a rezoning application, a preliminary plat application, for all residential. Ms. Riddell mentioned that residential can be accommodated on septic. Dr. Klopatek inquired about the statute that would allow septic for such a community. Kevin Chadwick, Maricopa County, responded that septic systems are allowed on one acre lots in the County. Dr. Klopatek stated that there are multi-housing units in which there will be more than one house per acre in the DMP. Ms. Riddell replied that Goldfield has 2,000 acres and has proposed a maximum of 1,000 units, which is half a unit per two acres and that could be accommodated on septic. Dr. Klopatek stated that multi-family homes are going to be built. Ms. Riddell indicated that there are no multi-family homes proposed in the development. Dr. Klopatek mentioned that the DMP states differently. Ms. Riddell replied that there was no multi-family homes proposed. The development is all single family residential.

Marilyn DeRosa, City of Avondale, stated that there are some facilities in proximity to the project, with the Fort McDowell Yavapai Nation treatment facility less than four miles away. She noted that there is a river crossing; however, that is not unprecedented either. Ms. DeRosa mentioned regional planning and inquired if any discussion occurred with the Nation regarding an intergovernmental agreement for use of that facility. Ms. Riddell agreed that four miles is not that far and some rivers can be crossed. She stated that there are two major impediments. Ms. Riddell indicated that the first impediment is that the Nation has consistently stated their concerns about the Goldfield Preserve injecting treated water into the lower aquifer. The Nation is concerned with this being a pollutant. She suggested that a far bigger concern would be pumping raw sewage across the Verde River. Ms. Riddell mentioned that they are extremely concerned about that from an environmental prospective. She indicated that the second impediment is that there are sovereign tribal issues that have been difficult for the Goldfield Preserve to overcome. Ms. Riddell stated that twice on record with this application, the Nation has come forward and supported the Goldfield Preserve and then immediately withdrawn that support. She added that also of concern to the Goldfield Preserve is that the Fort McDowell Yavapai Nation does not have any regulatory oversight over their facility. Ms. Riddell

indicated that the Nation is not regulated by ADEQ or the Environmental Protection Agency (EPA) and are their own sovereign entity which causes some concern. Mr. Byrd stated that all Sovereign Indian Nations in the country are regulated by EPA. Dr. Klopatek concurred. Mr. Byrd added that the federal law applies on a Sovereign Indian Nation including EPA. Ms. Riddell responded that they have tried to obtain regulatory information from ADEQ and EPA and have had no luck. She thanked Mr. Byrd for the clarification and accepted the response.

Ms. DeRosa inquired if there were any conversations with the Nation regarding partnership in their facility. Ms. Riddell replied that there were conversations; however, they did not go anywhere. Dr. Klopatek stated that a meeting was held on February 28, 2008 in which they discussed the possibility of taking the effluent and potentially putting a 500 year scour proof canal over the bridge and then the Nation could handle the effluent. She added that this possibility was taken poorly by the applicant and was unilaterally denied. Ms. Riddell mentioned that there is a difference of opinion between the Goldfield Preserve and Fort McDowell Yavapai Nation on the issue.

Dr. Klopatek discussed the MAG related questions of who will fund the facility, who will fund operation and maintenance costs, and is there adequate financial security to assure the continual and proper operation and maintenance. She stated that each response refers to the CID. She added that these are MAG related questions and the applicant has not provided any financial statements since 2006. Dr. Klopatek commented that the applicant has almost a 10.5 percent interest rate on a \$140 million loan. She mentioned the expenses since then for the 22+ consultants. Dr. Klopatek added that the manager of the loan receives \$125,000 per quarter from that loan. She stated that the applicant does not have money left in that loan. Dr. Klopatek discussed the amount spent on interest. She stated that the information can be found in the application. Ms. Riddell stated that the information was provided as part of the financial feasibility of the report and consistently with other MAG 208 amendments that have been approved. Ms. Riddell assured Dr. Klopatek that her client is financially solvent for this deal as is Maricopa County.

Dr. Klopatek inquired why additional statements were not provided. She stated that the Nation has been asking for additional or supplemental statements. Dr. Klopatek inquired if the applicant had the financial capability. She added that the applicant keeps referring to the CID. Dr. Klopatek mentioned that this is a MAG and regional question. She noted that the last statement provided was from December 2006. Ms. Riddell responded that the applicant has provided the same financial information as every other MAG 208 applicant. She presented a comparison of the financial documentation provided for the Goldfield Preserve and approved 208 applications. She added that the comparison of the operation and maintenance costs also shows that the information in the Goldfield document is consistent with the information other applications provided. Dr. Klopatek mentioned that if the applicant does have \$4.8 million and the project will cost \$5 to \$10 million dollars to build, the applicant is still in the negative. She added that this does not prove the financial capability to operate the treatment plant over the long term. Ms. Riddell responded that Dr. Klopatek's concerns are noted. Dr. Klopatek indicated that there is still no documentation to date since 2006. Ms. Riddell responded that is Dr. Klopatek's opinion.

David Iwanski, City of Goodyear, inquired if Ms. Riddell has any reaction to the May 13, 2008 letter to Lindy Bauer, MAG, from Joan Card, ADEQ. Ms. Riddell asked their environmental litigator to address the letter. David Armstrong, Law Firm of Ballard Spahr Andrews and Ingersoll, stated that he received a copy of the ADEQ letter. He mentioned that the letter has perhaps been interpreted as a type of objection or concern that ADEQ has with the project. Mr. Armstrong indicated that after

looking at the letter, he does not see an objection that has been raised by ADEQ with respect to the project. He mentioned that it appears that Ms. Card, on behalf of ADEQ, is reminding MAG in a generic manner that comments by the tribes and anyone else who has concerns should be considered by this body. Mr. Armstrong stated that Ms. Card mentions “major problems” in the letter. He added that it appears absent some type of major problem, this project should be approved. Mr. Armstrong commented that based on the technical information that has been presented by the developer for this project, they do not see a major problem. He mentioned that every step of the way, there has been an effort to meet or exceed all regulatory requirements. Mr. Armstrong indicated that absent some type of major problem, the project should be approved and ADEQ does not take a position to the contrary in their letter.

Mr. Iwanski inquired what would constitute a major problem in Mr. Armstrong’s experience. Mr. Armstrong responded that a problem would be if there were substantial technical difficulties associated with the project. He stated that based on the information presented, in every step of the way, the technical requirements for this project have been met or exceeded. Mr. Armstrong added that this project still has to go through a critical review process, the Aquifer Protection Program process. He indicated that ADEQ is going to be taking a very critical review and analysis of this project during that process. Mr. Armstrong commented that ADEQ has to do this review to be consistent with their mission to protect health and the environment. He mentioned that ADEQ, through the APP process, is going to review every technical aspect of this project, including financial assurance. He added that ADEQ will make sure that there is appropriate financial assurance backing the entire project. Mr. Iwanski referred to comments by Mr. Haines about the Committee not having the background experience or technical expertise to provide an informed decision. He inquired if ADEQ as part of the APP application has the experience. Mr. Armstrong responded yes.

Mr. Byrd stated that the SRPMIC is not and has never been opposed to the water reclamation facility in Goldfield. He indicated that they are opposed to an irresponsible facility. Mr. Byrd mentioned that the SRPMIC has gone through this constant process, providing comments, to make sure that this is a responsible wastewater reclamation facility. In order to do that, it must meet appropriate Water Quality Standards and be a true regional plant. He commented that the applicant has proposed or has committed to make substantial and material changes to the original application as amended, but has still not addressed all the concerns outlined in HDR’s report. Mr. Byrd indicated that given the extent of the modifications needed to address the concerns identified in the report, this application in its current form must be denied. Mr. Byrd moved that the Preserve at Goldfield Ranch Water Reclamation Facility 208 Application be denied. He added that he would like to read his explanation for the motion into the record and that these comments be entered into the minutes in their entirety. Dr. Klopatek seconded the motion.

Mr. Byrd provided the following comments, which are being included in their entirety. According to the intent of the MAG 208 planning process, at a minimum, a plant should be planned and sized to treat sewage from the entire area. Regional wastewater collection and treatment is the best approach to protecting water quality. This plant is not being planned as a regional plant. For example, there is a development currently being planned for this area that is not included in the planning of this treatment plant. This is a unique plant. It is the first time that a water treatment plant of this complexity will be owned and operated by a County Improvement District, rather than by a municipality. Therefore, there is a question about the CID’s ability to absorb repair and emergency costs. There is also a question as to who will have ultimate liability for the plant, the sponsor (Maricopa County) or the developer. The answers to both of these significant and unresolved issues will be precedent-setting for MAG and for the State. It is in the best interest of

Maricopa County and all beneficiaries of the Verde River to have a safe wastewater collection and treatment system for the entire area, which includes the Preserve at Goldfield Ranch. The MAG 208 Water Quality Management Plan is Maricopa County's first defense against degradation of water quality. The current application lacks necessary detail as to how identified issues will be resolved and implemented. Therefore, this application should be denied as it does not adhere to the criteria stated in the MAG 208 Water Quality Plan.

Chair Klingler inquired if there was any discussion on the motion. Mr. Byrd asked Mr. Carpenter to present the slide that shows the major concerns from the HDR report. He asked Mr. Carpenter to summarize the concerns as it relates to how the applicant has responded. Mr. Byrd stated that motion is based upon these concerns. Mr. Carpenter stated that the applicant made commitments; however, the question is if they fulfill the MAG requirements. He discussed the concern of plant location, the unique features of the area and the fact that this could be a discharge to the Verde River. He mentioned that there was talk about other plants discharging to the Salt River; however, that river is no longer used for drinking water at that point. He indicated that this plant still is not a regional plant. Mr. Carpenter stated that this plant would be serving a limited area within Goldfield Ranch. He added that they encourage the entire area to be served which is appropriate since that is what would be done in a municipality. Mr. Carpenter commented that municipalities have the ability to collect development fees, but it does not negate the responsibility for others to not do something similar to prepare for the entire area.

Mr. Carpenter stated that the applicant has dealt with Parcels C and D with regard to the septic system; however, there is uncertainty for how wastewater is going to be dealt with in the rest of the area. He discussed the Grayhawk Development. Mr. Carpenter indicated that Grayhawk is not included in the service area. He mentioned that the focus has been on Class A+ water. Mr. Carpenter added that they are unsure that this will be the case since it has not been proven or demonstrated. He commented on the issue of owner/operator and the CID. Mr. Carpenter stated that the responsibility for risk will be placed on all of Maricopa County by the Board of Directors being the County Board of Supervisors. Mr. Byrd stated that Grayhawk is a small section surrounded on three sides by the Preserve at Goldfield Ranch. He inquired if any municipalities with a small wastewater treatment facility planned be allowed to exclude this portion surrounded on three sides with no physical barriers from the planning area for that plant. Mr. Byrd stated that he would hope that the answer to that question would be no. He mentioned that he does not see how that could happen given Grayhawk is planned for development. Mr. Byrd indicated that a letter was submitted to the Maricopa County Planning and Development Department dated March 6, 2007. He commented that this should be included in the planning area and is an example of the fact that this is not a regional plant.

Chair Klingler inquired if Ms. Riddell had any comments on the summarized responses. Ms. Riddell indicated that the Goldfield Preserve has stated that they have the ability to expand the facility to accommodate Grayhawk or anyone else in Goldfield Ranch. She referred to the comment about the plant would be in a unique location. Ms. Riddell mentioned that the Goldfield Preserve has committed to treat to Surface Water Quality Standards and has a redundancy plan that is incorporated within the APP that addresses any potential emergency issues. She stated that the Goldfield Preserve has committed to include Parcels C and D within their service area and has done everything they can to incorporate as much property within the service area as possible. Ms. Riddell indicated that the Goldfield Preserve has sufficient ability and real estate to expand for all of Goldfield Ranch. She mentioned that this application is backed by the CID and Maricopa County. Ms. Riddell commented

that this application is consistent with other applications that have been approved by the Committee when there is municipalities at stake.

Mr. Chadwick mentioned that there are many interesting issues being discussed which are not relevant to the 208 process. He added that he appreciated the fact that HDR and SRPMIC are concerned about the financial status of Maricopa County; however, the Maricopa County Board of Supervisors make the decisions of where they are going to expend the funds. He commented that it is not relevant to the actions of the Committee to determine if this is an appropriate use of Maricopa County's resources. Mr. Chadwick stated that since the motion is based on withdrawing the existing approval, nothing that has been discussed would change the sponsorship and position of Maricopa County on the application.

Mr. Iwanski mentioned that Dr. Klopatek indicated that there may be a procedural need to amend the existing application. He mentioned the applicant's willingness to do additional enhancements to the application. Mr. Iwanski inquired if an additional exhibit would be prepared or if there is enough of the record established to keep the application moving forward. Chair Klingler responded that the intent was to get the commitments in writing and on record which has been done at this meeting. He added that the commitments need to go to Regional Council. Chair Klingler inquired about ways to incorporate the commitments. Julie Hoffman, MAG, stated that it can vary and depends on the preference of the Committee. She added that the Committee could choose to have the application revised to reflect the commitments or another option would be to include them as an appendix or addendum to the application. Chair Klingler inquired if Mr. Iwanski had a preference. Mr. Iwanski responded that the record is clear and an appendix would be satisfactory. Chair Klingler discussed options for the Committee.

Mr. Byrd stated that the motion is not intended to stop the facility; however, it is intended to make the applicant go back and revise the application to reflect the commitments and to look into meeting the rest of the concerns that have not been met. He added that the applicant has made some good commitments which SRPMIC would like to see incorporated into the document. Mr. Byrd indicated that this situation is unique and precedent setting. He mentioned the importance of the document that goes forward being absolutely complete and not just including references to meeting minutes. Mr. Byrd commented that it is the intent of SRPMIC that this application as it stands be denied and that the applicant can come back with a revised application that also addresses further concerns.

Chair Klingler stated that the Regional Council would like to hear the comments of the Committee. He added that if the motion to deny prevails, that would be the sense of the Committee that would go to Regional Council with the complete record. Chair Klingler commented that he is hopeful that everything will get resolved before the application goes to Regional Council. Mr. Hollander inquired that if the application would come back to the Committee if it is denied and then amended to include the commitments discussed. He asked if the language would have to be amended to state denial contingent upon additional information. Mr. Hollander indicated that there has to be another corollary to be able to move it on to the next step if there is additional things that can be done to make it viable.

Mr. McNeil questioned whether denial is the right motion to make. He stated that in several past meetings, the Committee has asked the applicant to come back with more information. Mr. McNeil added that the label of denying the application may be wrong. Chair Klingler responded that unless there is an amendment or a substitute motion, denial is the motion before the Committee. He



discussed the motion and the process. Chair Klingler indicated that the Committee has thoroughly reviewed all the new information and listened to public comment, technical experts, the discussion of the Committee, the applicant and others on the subject. Mr. Hollander asked that the motion be restated. Mr. Byrd stated that the motion is that the application as it currently exists be denied. He added that it can be revised and come back.

Mr. Chadwick suggested that an alternative motion would be, if it is the sense of the Committee, that the changes that have been suggested by the applicant be included and forwarded to Regional Council. He stated that would be a more appropriate resolution to move the application to Regional Council. Mr. Chadwick added that this change would be up to the proposer of the motion. Chair Klingler inquired if the change was acceptable to the proposer. Mr. Byrd replied that the way he understood Mr. Chadwick was that the Committee would forward the applicant's responses to the Regional Council and that the Committee would do nothing else at this level. He stated that does not make a recommendation to Regional Council as to what the Committee believes based on the new information. Mr. Byrd added that he thinks that is what the Regional Council is looking for from the Committee.

Chair Klingler asked if the modification would change the motion to be to deny this application but allow the commitments of the developer to be included in any discussion at Regional Council. Mr. Byrd responded that the HDR report would also need to be discussed at Regional Council. He added that it would make sense to include the applicant's response to the report. Chair Klingler inquired if Mr. Chadwick's change was to include the applicant's response and commitments. Mr. Chadwick replied that it is correct; however, denying the application and sending additional information would just confuse the issue. Chair Klingler discussed the process for amending the motion.

Mr. Byrd indicated that the problem is that the Committee has approved this application in the past. He mentioned that if the motion is to send forward the new information to Regional Council then the Committee is sending forward an approval to Regional Council with the new information. Mr. Byrd stated that he is proposing that the Committee vote to deny the application and if that vote fails, then the Committee is still sending forward the approval. If that vote passes, then the Committee is saying that based on new information, the Committee does not approve the application. He stated that the Committee must vote on whether to deny the application, otherwise the Committee is stating that this new information has no effect and still approves the application. Mr. Byrd inquired if based on the new information, does the Committee still approve the application. He added that the motion is to deny and if that fails then the Committee would still approve the application. Dr. Klopatek stated that the bottom line is that the independent consultant stated that the application does not meet the 208 criteria.

Mr. Boyer mentioned that the developer has brought forward responses to address most of the issues that were raised. Mr. Boyer added that the goal is to get an application out there that includes those responses. He mentioned that he would like to deny the application and at the same time approve a modified application with those responses. Mr. Boyer inquired if it was possible to make that change. Chair Klingler responded that the application will be considered at Regional Council. He stated that the question is the Committee's recommendation. Chair Klingler indicated that if the motion to deny is denied then another motion may be needed. He mentioned that another possibility would be to amend the motion. Chair Klingler commented that this information along with the commitments will be forwarded to the Regional Council. He added that if the sense of the Committee is to approve the application because of the commitments, then that is a different motion.

Ms. Riddell indicated that the Goldfield Preserve is committed to modifying the application to reflect the commitments. She added that the modification to the application can be completed before Regional Council.

Mr. Chadwick stated that the Committee has to move through the offered resolution and then look at alternatives. Stephanie Prybyl, Town of Gilbert, asked for clarification on the motion. Chair Klingler responded that the motion is to deny the application. The motion passed through a roll call vote of eleven to five with Rich Williams, City of Surprise; Mr. Chadwick; Mr. McNeil; Mr. Boyer; and Mr. Iwanski voting no, and Dave Emon, City of El Mirage, abstaining.

Mr. Boyer made a motion to approve a modified application that includes the commitments made by the developer. Chair Klingler stated that the Committee voted on the application. He added that a motion can be made to have the commitments forwarded to Regional Council or have the developer modify the application. Mr. McNeil inquired if the Committee voted on the application as it existed, exclusive of the commitments. Chair Klingler responded yes. Mr. McNeil stated that the vote would be on a different application since it would include the commitments. Chair Klingler mentioned that the Committee does not have that application. He added that the Committee could vote to have the commitments forwarded to Regional Council; however, they will likely be presented at the meeting anyway.

6. Call for Future Agenda Items

Chair Klingler asked for suggestions on future agenda items. With no further comments, Chair Klingler thanked the Committee for participating and called for adjournment of the meeting at 10:26 a.m.